Alberta

SPEECH FROM THE THRONE

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THE PROVINCE OF ALBERTA ON
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MR. SPEAKER AND MEMBERS OF THE LEGISLATIVE ASSEMBLY

I have the honour to welcome you to the First Session of the Twentieth Legislature of the Province of Alberta.

The privilege of accepting the responsibility of office for a fourth time came to my government as a result of the Provincial General Election held on November 2, 1982.

I particularly welcome the nineteen new Members of the Legislative Assembly who are taking their seats for the first time. I have no doubt they will continue the traditions of service and integrity that have been the reputation of this Assembly throughout the years.

ALBERTA'S ECONOMY — SITUATION AND FORECAST

Throughout almost every country and region of the world during 1982 there has been a significant decline in economic activity, involving reduced investment and slower growth both in consumer and commodity purchases. This has resulted everywhere in lost jobs and increased unemployment. A further consequence of the chain reaction of declining sales of consumer and commodity products has been much lower profits and cash flow. This has resulted in the deferral or cancellation of investment plans for expansion of plant, equipment, and new projects generally. This economic downturn has sharply curtailed the demand for most of Alberta's basic products — oil, natural gas, coal, grain, red meats and forest products.

This economic downturn was triggered in the United States during the latter months of 1981 as a consequence of the inconsistency resulting from tight money policy concurrent with expansive fiscal policy. The downturn quickly spread throughout the world in 1982.

The situation has been aggravated in Canada not only by unnecessarily high interest rates but also by the damage caused just before the world-wide economic downturn through the implementation of the Federal National Energy Program. The National Energy Program not only seriously weakened Canada's key energy sector, but also created a flight of investment capital from Canada as well as discouraging new job-creating investment from coming into Canada.

My government responded to this economic situation in 1982 by bringing forth a large stimulative capital budget to help sustain activity, by reducing oil and gas royalties to encourage job activity in the petroleum industry, by shielding homeowners from high interest rates to stabilize consumer and retail trade, by reducing interest expense to our farmers to partially offset decline in net farm income and by shielding small businesses from high interest rates to sustain these businessmen through this difficult period. These and other measures are the essence of the Alberta Economic Resurgence Plan.

In August 1982 a few signs of economic recovery appeared. The Stock Market revived and interest rates started to decline. By early fall, most economic forecasts were that recovery was imminent in North America and that in Canada in 1983 Alberta's economy would be the strongest of any province.

In September 1982 my government assessed the state of Alberta's economy and the unemployment strain arising out of the extraordinary in-migration to Alberta of Canadians from other provinces in immediately preceding years. Also noted were a number of other weak spots, including over-building and over-heating in certain sectors. On the other hand, the potential strengths were assessed, including the view that the petroleum industry had bottomed-out and had started to recover.

Unfortunately in the past three months, three developments have occurred which will delay economic recovery in Alberta because they are all energy related. Firstly, in the last quarter of 1982, energy demand in the United States and world wide — especially for oil — had a large and unexpected drop. Secondly — this caused oil refiners in the United States to reduce their price of residual fuel oil, which took away a significant portion of the industrial market for natural gas within the United States, including markets for Alberta's natural gas. Thirdly — on January 24th, the OPEC nations failed to reach agreement on production quotas and prices, setting in motion a downward spiral of oil prices. All these developments have adversely affected Alberta's base oil and gas industry in the short term and will thus delay our economic recovery.

Although considerable progress on economic diversification has occurred in Alberta during the past decade, it is obvious that the full impact will require some time to take hold and by its nature much of the diversification will at least in part be energy-related. However, economic diversification will not fully replace depleting provincial resource revenues even in the long term.

Despite these difficulties, Alberta has the residual strength to positively respond to the economic recovery and, after a period of absorption of some of our overbuilt sectors and large in-migration, Alberta will continue with positive economic growth.

PRIORITIES

In these circumstances, the government's priorities in the forthcoming Session are as follows:

1. ECONOMIC RESURGENCE — within the limitations of financial constraints, to sustain the Alberta Economic Resurgence Plan and to supplement these programs with intensive efforts to assist our private

sector to market both within Canada and throughout the world, our oil, natural gas, coal, grain, red meats, forest and other products.

2. SUPPORT FOR JOB TRAINING AND RETRAINING — again within our financial constraints, to provide substantial support to assist, particularly young Albertans, to improve their skills and occupational capacities in preparation for a return to the workforce.

3. SOUND FINANCIAL MANAGEMENT — To reduce the size of the provincial government deficit to assure our continued capacity to respond in the longer term to the province's needs, including improving the efficiency and productivity of our Public Service.

ADVANCED EDUCATION

Post-secondary education has experienced a substantially increased demand in 1982-83. Full-time enrolment has increased from approximately 56,000 in 1981-82 to 63,000 in 1982-83, an increase of 12 percent.

In 1983, over 300,000 adult Albertans will participate in non-credit courses supported by Further Education Grants.

In 1982-83, almost six thousand Albertans are benefiting from the Heritage Scholarship Fund. Awards have been made under all categories of the program, and since its beginning, almost ten thousand Albertans have received a total of over 14 million dollars.

Expansion of programs for trades and technologies will be completed at Medicine Hat, Fairview, Grande Prairie, Lethbridge, Red Deer and Keyano Colleges, thereby increasing capacity in centres throughout the province and continuing the decentralization of educational opportunity.

Construction is underway at Westerra Institute of Technology at Stony Plain. The initial phase will house instruction for eight designated trades and will open in September, 1983. Plans for Athabasca University are underway and construction will proceed in 1983.

The University of Alberta, Misericordia, Royal Alexandra and Foothills Hospitals' nursing programs will complete their first year of operation as part of the Advanced Education system. A new nursing school will be completed in 1983 at Keyano College in Fort McMurray.

The Alberta Foundation for Nursing Research, with a special fund of one million dollars, will receive its first proposals this year.

EDUCATION

My government recognizes the need to ensure comparable high standards for students graduating from high school, and will therefore be considering the adoption of mandatory comprehensive examinations for all students seeking a high school diploma. Details of the program are being considered by various groups and a revised policy is expected to be ready by June.

My government has taken important steps: to increase the use of microcomputers in schools, to provide good computer operated course material and to provide in-service learning activities to assist teachers using computers in the classroom. In view of continuing advances in computer technology, these developments are of great significance to young Albertans.

Both the Task Force on the Gifted and Talented and the Task Force on Computers, which are to report in April, will provide important direction in areas of significant public interest. My government will give careful study to their recommendations.

HOSPITALS AND MEDICAL CARE

Maintaining the province's excellent health care and hospital systems will continue to be a major priority of Government. It is a major concern that the demand for medical services is still increasing at a substantial rate. Responses will have to be made by governments across Canada in order to preserve the long-term capacity to provide services.

Development of the Interchangeable Hospital Building Components Plan is complete and the first eleven hospitals under this unique program are being built. Four hundred new hospital beds in Athabasca, Canmore, Consort, Coronation, Devon, Didsbury, Grimshaw, Hardisty, Raymond, Turner Valley and Vulcan will be provided. Major projects are under construction in most of the larger centres.

The past year also saw the official opening of Phase I of the Walter C. Mackenzie Health Sciences Centre and work is steadily progressing on Phase II.

The past number of years in Alberta has seen a Construction Facility Program for hospitals including equipment which is without parallel in Canada's history.

Activities funded by the Alberta Heritage Foundation for Medical Research are expected to expand. Significant awards have been made to hundreds of medical scholars, and a prestigious Scientific Advisory Council has been formed.

SOCIAL SERVICES AND COMMUNITY HEALTH

Legislation to establish the Alberta Widow's Pension Program will be recommended to the Assembly to provide increased security for widows and widowers in the 55 to 64 year age group, who find themselves with limited incomes due in most cases to the loss of a wage-earning spouse.

Decentralization of services and decision-making in the Department of Social Services and Community Health will continue in order to provide greater local, managerial and professional responsibility, greater accountability and increased responsiveness to local issues and concerns. My government's objective is to improve the quality and scope of services, while simplifying policies and procedures in light of economies and cost effectiveness.

Certain improvements to the child welfare system will be recommended to the Assembly during this Session as interim proposals pending receipt of the Report of the Cavanagh Board of Review. Further recommendations will follow a full review of the report in due course.

In the important area of preventive health, modification of the immunization program has extended protection to Alberta children against seven serious diseases, while a program to provide hepatitis B vaccine to patients and workers at risk of exposure to this potentially serious disease has also been introduced.

WORKERS' HEALTH, SAFETY AND COMPENSATION

A recommendation will be made to the Assembly that a Select Special Committee of the Legislature be formed to make appropriate recommendations following a full review of the present legislation.

The intensive Information, Inspection and Regulatory Program to reduce fatal accidents from cave-ins of unsafe trenches and excavations has met with considerable success. The program was started at the beginning of 1981 and since March 1981 there have been no fatal cave-ins.

NATIVE AFFAIRS

The Native Venture Capital Corporation has been established, with an investment commitment of up to $5 million to encourage native Albertans to develop their own enterprises. This program represents a joint venture between government and the private sector unique in Canada.

My government will also assist Native communities in attaining greater self-reliance by funding Family and Community Support Services on Indian Reserves.

The Rural Home Assistance Program will be continued this year and, so far, will have facilitated the construction of over 500 homes through self-help efforts.

MUNICIPAL AFFAIRS

In anticipation of the 1983 local elections, a new Local Authorities Election Act will be introduced establishing common provisions for municipal, school and hospital elections.

Benefits for senior citizens will be significantly enriched by changes to the Alberta Property Tax Reduction Act: the basic tax reduction for senior citizen homeowners will be raised from $600 to $1,000; the Senior Citizens' Renter Assistance Grants will be raised from $1,000 to $1,200 for non-subsidized accommodation and from $500 to $600 for government subsidized accommodation, and senior citizens who own mobile homes on rented pads will be eligible for a grant increase from $600 to $1,000.

These programs are designed to help our senior citizens as well as those qualifying under the provisions of the new Widow's Pension Program Act.

My government has been actively involved in providing training programs for local decision-making on Metis settlements and in improving local conditions, especially through the provision of more available supplies of drinking water.

The Municipal Government Act will be amended in response to requests from the Alberta Urban Municipalities Association, the Alberta Association of Municipal Districts and Counties, and individual municipalities.

ENVIRONMENT

My government will continue to place a high priority on the management and development of the province's water resources. The Alberta Water Resources Commission has been formed to advise on policy and long-term planning needs.

Work on approximately 220 miles of main canals supplying the Lethbridge Northern Irrigation District and the St. Mary River Project is underway. Construction of two major water pumping projects to improve

water supply to the Special Areas will be completed this year, and engineering is well advanced on projects to develop new water reservoirs in the Bow River, Eastern and St. Mary Irrigation Districts.

Amendments to The Land Surface Conservation and Reclamation Act will be proposed to the Assembly, including provisions regarding topsoil conservation.

ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE

Exports play a key role in Alberta's economic development. With a limited Canadian domestic market, Alberta producers must look to exports for significant growth.

Sales programs involving Alberta firms penetrated new markets in Latin America, Europe, the Middle East, Africa, Southeast Asia and in the Atlantic provinces of Canada. Well over $100 million in sales were generated by Alberta companies as a result of this activity.

The Government's newly-established Finance Desk for International Trade has given Alberta firms access to over 175 potential projects through international financing agencies.

Alberta has abundant and competitively priced supplies of all the feedstocks for our petrochemical industry. My government continues to encourage foreign investment, preferably through joint ventures with Canadian companies.

A second ethylene plant and the associated derivative plants are under construction and on schedule. A world-scale methanol plant has just been completed and two large fertilizer plants are nearing completion. Few other parts of the world presently enjoy these levels of new chemical plant construction.

The intermediate term outlook for the Alberta forest industry is promising. Proposed capacity expansion will allow Alberta producers to take full advantage of increases in residential construction activity as the housing industry begins to recover in the United States as well as in Canada.

My government recognizes the importance of high technology in the successful diversification of our economy. A combination of program funding and policy initiatives have laid the basis for increased private sector involvement in this rapidly changing field.

In 1982, the Alberta Government established Vencap Equities Alberta Ltd. With $200 million from the Alberta Heritage Trust Fund, it will develop,

diversify, expand and strengthen the industrial base of Alberta, putting particular emphasis on high technology.

A key element in Alberta's economic strategy is an efficient transportation system allowing our products to move to world markets. My government has already provided for increased efficiency and capacity for the Western Canadian transportation system.

TRANSPORTATION

1982 saw record levels of transportation expenditures throughout the province. A wide range of projects were undertaken to ensure that Alberta's transportation system continues as one of the best in North America.

My government also provided special programs in 1982 and the winter of 1983 to assist heavy equipment operators in obtaining necessary work. The special Economic Stabilization Plan last summer provided assistance to firms affected by the slowdown in other construction. Due to favourable weather conditions in the fall, extra work was contracted for in the construction industry by establishing an additional Fall Works Program. The Winter Works Program provided opportunities to many gravel haulers and crushers.

In 1983, my government will place a high priority on several areas of transportation safety. Efforts will be made to ensure effective coordination of education safety efforts undertaken by all agencies involved. Consideration will be given to ways of improving highway safety in the area of intersection control and railway level crossings.

A review will be made this year of the operations and procedures of the Motor Transport Board. Efforts will be made to ensure that the bus and trucking industry can operate as freely as possible from unnecessary regulation.

UTILITIES AND TELECOMMUNICATIONS

As part of the Alberta Economic Resurgence Plan, my government will give attention to the development of hydroelectric resources. Renewable water resources can make a significant contribution to the long term prosperity of the province.

Steps have already been taken to develop a proposal for a major hydroelectric project on the Slave River in northeastern Alberta suitable for consideration by regulatory agencies. My government is also investigating the feasibility of hydro development at Dunvegan on the Peace River.

The basic Natural Gas Price Protection Plan continues in effect and will provide Albertans with the most reasonable natural gas costs in Canada. In addition, two new programs under this plan recently announced are now being implemented. The Senior Citizens' Home Heating Protection Plan provides an additional measure of protection against high home heating costs to some 72,000 senior citizens in Alberta who own and occupy their own homes. The Primary Agricultural Producers Rebate Plan effectively doubles the present rebate for natural gas consumers for primary agricultural production in order to lessen the impact of high farm input costs. This program will assist all forms of primary agricultural production including crop, irrigation, grain dryers, sod and peat farms, livestock, dairy and poultry operations and significantly, greenhouse operations.

My government and the City of Edmonton have entered into a joint agreement to review outstanding issues between Alberta Government Telephones and Edmonton Telephones. Both the City of Edmonton and the province have accepted the premise that telephone services provided throughout Alberta must be adequate, uninterrupted and economical in order to serve the best interests of all citizens.

AGRICULTURE

During 1982, a number of measures were instituted to maintain cash flow, offset the impact of unreasonable interest rates, and reduce the effects of unseasonable weather in some areas.

The Beef Cattle and Sheep Support Program handled 57,000 applications and provided more than $137 million to the industry. However, a long-term approach to cattle marketing is still required and efforts are being continued, in association with producer organizations, to improve consumer marketing programs in Alberta and across Canada.

To improve net returns for producers, my government initiated, in 1982, the Alberta Small Business and Farm Interest Shielding Program which provides for an interest ceiling on certain borrowings until mid-1984. Payments are being made semi-annually.

Last year, the Northern Drought Disaster Crop Advance Assistance Program offered support to many producers in the Peace Region, some of whom suffered total losses due to weather conditions.

Soil conservation and land use remain priorities. New surface rights legislation will be placed before the Assembly for consideration during this Session.

Alberta producers will continue to benefit from my government's programs to reduce input costs of energy. The Farm Fuel Distribution

Allowance was almost tripled in 1982 and now accounts for approximately 20 percent of farm fuel costs. In addition, the Primary Agricultural Producers Rebate Program will deliver royalty-free gas to many producers. These programs assure producers continued low farm fuel and natural gas prices.

My government will continue to emphasize the importance of strategic market development, greater value-added processing and reliable transportation services for agriculture. It is estimated that more than $5 million will be spent on expanding nutritive processing services in rural Alberta this year. Other assistance programs are designed to help our canola crushing and dehydrated alfalfa industries.

Agriculture research remains a high priority. A Canola Breeding Program has been established in cooperation with Agriculture Canada and the Farming for the Future Agricultural Research Program will support about 150 individual research projects this year.

PUBLIC LANDS AND WILDLIFE

During 1983, an estimated 214,000 acres of public land will be made available to new farmers and for expanding existing farms.

It is anticipated that 215 new rangeland improvement projects will be funded under the Public Grazing Land Improvement Program and development will continue on more than 400 projects that were started in previous years.

The Grazing Reserve Development Program, funded from the Alberta Heritage Savings Trust Fund, will continue to develop needed pasture land in the gray wooded soil zone of the province to encourage and promote the agriculture industry in those areas.

ENERGY AND NATURAL RESOURCES

My government recognizes the continuing need to encourage and promote the development of Alberta's energy resources as a keystone in its plans for economic growth.

The adverse impact of federal budget and energy policies has been tempered to a significant degree by incentives contained in the Alberta Oil and Gas Activity Plan and in the Development Drilling Program announced in April and August of 1982. In addition, new oil finds in various parts of the province have helped sustain exploration activity through the winter months.

My government will continue to place a high priority on maintaining existing and promoting new markets for the province's petroleum, natural gas and coal resources. Strong representations have been made to the federal government and its agencies to adopt more flexible policies on crude oil marketing to ensure full production of Alberta's light and heavy petroleum resources.

Steps are also being taken to implement the principles set out in the joint Alberta/industry "initiatives" paper released last September, for natural gas marketing in the United States. New export licences with extended terms and substantially increased volumes, have improved the scope for new gas sales in the United States and possibly Japan. Alberta officials are working with their counterparts in British Columbia and Ottawa, in consultation with industry groups, to develop an appropriate marketing strategy to sustain our existing market and to make more feasible the increased exports of natural gas over the intermediate term.

My government is also monitoring closely the state of Alberta's coal industry in the light of uncertain world demand, and my government will continue to support industry's activities in finding and developing these markets.

During 1982 Alberta's forest industry operated well below capacity due to extremely low lumber prices and declining wood pulp prices which resulted from weak demand in North American markets. My government instituted several important initiatives which have helped to moderate the impact of this depressed market on Alberta's forest industry. Timber royalties and the holding and protection charges payable by the forest industry have been deferred. The Timber Salvage Incentive Program for fire and insect-damaged timber has been extended to October 31, 1983. These important initiatives are helping to ensure that Alberta's forest industry will be able to take advantage of market improvements. Such market improvements have already begun, and a gradual return to healthy levels of production in Alberta's sawmills and pulp mills is anticipated.

TOURISM AND SMALL BUSINESS

A major new program was announced in September 1982. The Alberta Heritage Fund Small Business and Farm Interest Shielding Program is part of the Alberta Economic Resurgence Plan. An estimated $150 million will be distributed to some 70,000 small businesses and farms. The Interest Shielding Program is designed to lend certainty and confidence to the small business and farm community over the next two years.

Tourism revenues increased by five percent in 1982 to $1.42 billion, with international events like Universiade '83, the Commonwealth Ladies

Golf Championships, the World Boy Scouts Jamboree leading us to believe we will see a steady growth for 1983.

The Northern Alberta Development Council continues its programs of encouraging public participation in the economic and social development of Alberta's north. Priorities for the coming year involve a review of agricultural development, community fire protection in the north and continuance of public meetings.

CONSUMER AND CORPORATE AFFAIRS

My government will continue to foster a positive business climate while assuring a fair marketplace for consumers.

The active Consumer Education Program will be maintained to provide high quality educational materials to assist Alberta consumers in getting full value for their money.

HOUSING

My government will maintain a wide variety of housing programs to provide affordable housing for both renters and homeowners, however, capital commitment is expected to be lower this year.

The Alberta Heritage Fund Mortgage Interest Reduction Program, effective September 1982, has provided for mortgage interest rates to be reduced to 12.5% for up to $60,000 in mortgage principal amounts. Well over 133 thousand homeowners have been shielded by a total of over $84 million to date, and some 175,000 homeowners are predicted to receive benefits by the program end, at August 31, 1984.

The major new Seniors' Home Improvement Program, in effect since December 1, 1982, provides assistance, geared to income, for seniors and widows or widowers, aged 55 – 64, for necessary home renovations and improvements. Some 55 thousand seniors' households should receive assistance under the program in the coming years.

Shelter for Albertans with modest incomes continues to be a priority for my government. During the past fiscal year, 2,700 housing units were started or built for Alberta's pioneers through the Alberta Housing Corporation's Senior Citizen Self-Contained Apartment Program and Seniors' Lodges. Another 1,200 units were begun for low-income families through various Alberta Housing Corporation programs, more importantly the Community Housing Program. This year, lending commitments will reduce but will still provide the accommodation needed by our citizens.

Alberta is expected to produce about 15 percent of Canada's housing starts and my government will provide programs affecting approximately one-third of the units, a reduction from an involvement of over 50 percent in previous years.

Decreases in the mortgage interest rates available from conventional lenders, less in-migration, high vacancy rates and a reduced demand for housing, have decreased the volume of the Alberta Home Mortgage Corporation's lending requirements. In light of loan commitments of $426 million over the first ten months of the current fiscal year and over $1 billion in the 1981-82 fiscal year, my government expects the private sector to take over a greater share of housing development and financing, in this and subsequent years.

MANPOWER

In recognition of the important role of the provinces in manpower, my government has established a new Department of Manpower which will be responsible for apprenticeship and manpower training programs, the Priority Employment Program, the Summer Temporary Employment Program, Alberta's participation in federal-provincial employment programs, the development of improved manpower information and provincial policies on immigration and in-migration. Legislation to establish this new Department will be introduced during this session.

On November 15, 1982, Alberta signed a new multi-year training agreement with the federal government providing for expenditure of over $56 million in federal funds in Alberta during 1982-83. Approximately $44 million will be allocated for classroom instruction for manpower trainees at colleges, technical institutes and other training centres and approximately $12 million for on-the-job training for workers.

Over $26 million has been provided for an expanded Priority Employment Program to help combat unemployment this winter. It is expected that at least 9,500 Albertans will benefit as a result.

In 1982, more than $4 million was made available for the Summer Temporary Employment Program to create over 4,900 jobs for students in Alberta. This youth employment program, along with winter employment programs, manpower training, career counselling and information programs, and the Hire-A-Student Program, provide young Albertans with a wide range of opportunities to obtain and develop the skills they will need in the future.

LABOUR

Very rapid economic changes in the past year have renewed awareness that Canadian productivity must be cost competitive. As well, in 1983, there will be increased attention to assure changes in salary rates take into account comparative wage and fringe benefits, security of employment, and current wage changes and job opportunities in both union and non-union sectors, private and public.

My government is concerned that the system of compulsory binding arbitration, which serves the people of Alberta and their employees in the public service, must not only treat parties fairly but equally important, must operate in recognition of the fiscal and economic realities in the province. My government will introduce amendments in this regard and relative to other labour matters.

In the areas of public safety, recent initiatives to both improve safety and increase efficiency, consistent with minimal regulation, will be continued. The recently proclaimed Fire Prevention Act will lead to simpler and fewer regulations.

RECREATION AND PARKS

My government's commitment to Alberta's athletes and to sport will be evident at both the World University Games in Edmonton, July 1 – 11, and at the 1983 Western Canada Summer Games being held in Calgary, July 31 – August 6.

Some 4,500 athletes from approximately 85 countries will take part in the World University Games. The cultural component of the Games will feature more than 600 performing artists from 25 countries. This high-calibre sports competition is expected to attract up to 700,000 spectators. Many will be international visitors.

The Western Canada Summer Games will bring nearly 2,400 top athletes from British Columbia, Alberta, Saskatchewan and Manitoba to Calgary and will possibly include athletes from the Yukon and the Northwest Territories.

In July, 17,000 scouts and their leaders from throughout the world will be welcomed to the XV World Scout Jamboree to be held in Kananaskis Country.

CULTURE

A new Libraries Act will be recommended to the Assembly during this Session. Existing cooperative efforts enabling both public and post-secondary libraries to share certain library resources will be maintained and strengthened.

Since 1979, the government has provided a Senior Citizens' Facility Grant Program to help fund the establishment and equipping of drop-in centres. During 1982-83, 400 organizations sought assistance for projects to enrich the lives of Alberta's senior citizens through participation in the planning and programming of these Centres.

The development of the new Canadian Encyclopedia has been very encouraging. To be completed in 1985, the Encyclopedia was begun as a 75th anniversary project and is to be a gift from the province of Alberta to the people of Canada.

Work continues on the Tyrrell Paleontological Museum and Research Institute in Drumheller. When it is opened in 1985, this Institute will be of national and international significance.

ATTORNEY GENERAL and SOLICITOR GENERAL

A new Young Offenders' Act to deal with provincial and municipal offences by young offenders and to complement new federal legislation soon to be proclaimed, will be recommended to the Assembly.

As well, amendments will be proposed to The Fatality Inquiries Act, The Provincial Court Act and The Public Utilities Board Act.

Construction continues on court house facilities in Edmonton and Calgary and new court houses will open this year in several communities. Construction of the Medicine Hat Court House will commence.

The new Lethbridge Corrections Centre will be opened this year. Several smaller projects, to increase the capacity and efficiency of the provincial correctional system, are underway or recently completed. The Correctional Services now employs some 55 native persons and 138 female officers. For probation and other functions, good use is made of several private sector agencies, including the Native Counselling Services. The Fine Option Program is being effectively used to reduce the number of native persons who must be imprisoned.

The increased use of the Checkstop Program, particularly during holiday periods, has been showing positive results.

TREASURY

To reinforce the beginnings of economic recovery in the year ahead, the Budget Address will reflect my government's priorities including the need to restrain the rate of growth of government expenditure.

To implement commitments made last fall to finance the Alberta Economic Resurgence Plan, and to reduce the deficit, legislation will be proposed to divert all the income from the Heritage Fund to the General Revenue Fund for 24 months, and to transfer only one-half of the traditional non-renewable natural resource revenue to the Fund for two years.

Other amendments will be introduced to enable the Assembly to review and vote on proposed financing for crown corporations from the Alberta Investment Division of the Heritage Fund.

Legislation will be introduced to implement the previously announced enrichment of the Alberta Renter Assistance Tax Credit.

Alberta will participate in continuing negotiations with the federal government on established programs financing for health care and post-secondary education.

FEDERAL AND INTERGOVERNMENTAL AFFAIRS

During the past year, an historic event occurred in the evolution of Canada's federal system. Patriation of Canada's Constitution was achieved with the official Proclamation of The Constitution Act on April 17, 1982. This occasion marked the final step in Canada's emergence as a sovereign and independent nation. The amendment procedure which is now part of the Constitution was originally proposed by my government. It clearly established the constitutional equality of all provinces in Canada. Further constitutional discussions are now underway with respect to the Aboriginal peoples of Canada. My government will continue to press for constitutional reform of the Senate.

Members of the Legislative Assembly: In due course you will be presented with budget proposals by my government to support these priorities and a program of balanced initiatives consistent with appropriate restraint in public expenditures. You will be asked to grant the necessary funds for the operating services and expenditures authorized by the Legislature and to endorse a program of capital financing for the Government of Alberta.

I leave you now to the business of the Session, with full confidence that as elected representatives, your debates and your votes will reflect your understanding of the public interest of all people of Alberta.

I pray for your wisdom and strength in your deliberations.